

**LODI CITY COUNCIL
SPECIAL CITY COUNCIL MEETING
CARNEGIE FORUM, 305 WEST PINE STREET
TUESDAY, APRIL 13, 1999
7:00 A.M.**

1. ROLL CALL

Present: Council Members – Hitchcock, Nakanishi, Pennino and Land (Mayor)

Absent: Council Members – Mann

Also Present: City Manager Flynn, Deputy City Manager Keeter, Economic Development Coordinator Goehring, Public Works Director Prima, Community Development Director Bartlam, Finance Director McAthie, Police Chief Hansen, Fire Chief Kenley, Parks and Recreation Director Williamson, Library Services Coordinator Martinez, City Attorney Hays and City Clerk Reimche

2. REGULAR CALENDAR

Agenda item #B-1 entitled, "Recommendation that Council accept Landucci's offer of settlement".

Finance Director McAthie presented the following report.

Landucci, Inc. presently owes the City of Lodi \$33,819.18 for electricity, \$144.77 for sewage, \$264.77 for refuse and \$428.98 for water, representing a total of \$34,657.70. Landucci, Inc. has ceased operation.

Through their Counsel, Landucci, Inc. has offered to pay the City of Lodi slightly in excess of one-third of their debt to the City. If all creditors of Landucci, Inc. do not accept this settlement proposal, Landucci, Inc. will be filing a Chapter 7 Petition in Bankruptcy. A filing in Chapter 7 would result in a liquidation of the Debtor's assets with payments made to Creditors from the liquidation proceeds. We do not have a complete understanding of the debts nor the assets of the Debtor. Therefore, we do not know if the City would secure more or less through a Chapter 7 filing.

Following a brief discussion, the City Council, on motion of Mayor Land, Nakanishi second, accepted the request from Landucci, Inc. to compromise a debt and directed staff to advise Counsel for Landucci, Inc. of that decision on or before April 15, 1999 by the following vote:

Ayes: Council Members – Hitchcock, Nakanishi, Pennino and Land (Mayor)

Noes: Council Members – None

Absent: Council Members – Mann

3. ADJOURNMENT

There being no further business to come before the City Council, Mayor Land adjourned the meeting at approximately 7:10 a.m.

ATTEST:

Alice M. Reimche
City Clerk